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Philippines

Trade Policy Monitoring

Philippine DA Seeks Zero-Duty for Soybean Meal Imports

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Report Highlights:

The Philippine Department of Agriculture (DA) has announced that it will push for the duty-free importation of soybean meal for six months to help the domestic poultry and hog raisers cope with the increasing cost of feeds. Soybean meal is currently assessed a 3 percent duty.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Manila [RP1]
[RP]

The Philippine Department of Agriculture (DA) will ask the Cabinet-level Tariff Related Matters (TRM) committee to allow for duty-free importation of soybean meal for six months. The Agriculture Secretary, Luis P. Lorenzo, Jr. in his opening remarks at the start of the Philippine Food Expo 2004, on January 28, said that his department will push for the duty-free importation of soybean meal to help local poultry and hog raisers cope with the rising cost of feeds. Soybean meal is currently assessed a 3 percent tariff and is considered a substitute for corn.

Lorenzo said the soybean meal proposal is an alternative solution to the request from feed-millers and hog-raisers to be allowed to import 300,000 MT of yellow corn duty free. Lorenzo noted that the duty-free importation of corn would not be feasible until April due to the forthcoming harvest season which begins next month.

However, the Philippine Association of Feed Millers Inc. has said that the suspension of the tariff on soybean meal is the wrong solution. The feed milling industry needs yellow corn and not soybean meal for its feed production.

The Bureau of Agricultural Statistics indicated that the country's current annual corn requirement is 5-5.2 million metric tons. However, local corn production has been estimated at 4.5 million metric tons. There is no domestic production of soybeans.